



PHOENICIAN ventures

Bridging the Gaps
in Technology Transfer

TODAY'S DISCUSSION

- ❑ Seed Stage Venture Capital Defined
- ❑ Deal Structures that Work
- ❑ BIOSoftware Systems Case Study
- ❑ Current Tech Transfer Model Scalability

I. SEED STAGE VENTURE CAPITAL DEFINED

- Capital that is provided to “seed” the development of companies by Venture Capital firms.
- Capital that is used for the following purposes:
 - A. Prototype/alpha development (R&D)
 - B. Patent filings
 - C. Market research
 - D. Financial model development
 - E. Business plan creation
 - F. Executive recruitment
 - G. HR Infrastructure deployment

II. DEAL STRUCTURES THAT WORK

- Preferred Stock Purchase
- Convertible Debt with penny warrants
- Convertible Debt at a discount to the next round
- Risk-return is balanced

III. BIOSOFTWARE SYSTEMS CASE STUDY

- Performed Technical Due Diligence
- Assessed Market Opportunity
- Created Financial Model
- Wrote Business Plan
- Recruited Management (CEO)
- Negotiated the Purchase of Synergistic Technology
- Formed NewCo
- Integrated Two Synergistic Technologies
- Invested in NewCo

IV. CURRENT TECH TRANSFER MODEL SCALABILITY

- Upfront HR expense is a sunk cost
- Technology is cutting edge (bleeding edge?)
- Skill set must be broad and deep
- Network of qualified management needed
- Seed capital must be available
- High degree of involvement with NewCo
- Negotiations must yield a win-win-win
- Soft Issues (Style Culture)